Swift v Carpenter [2020] EWCA Civ 1295
How to calculate the Reversionary Interest (RI)

The calculation for the award of damages for the cost of purchasing a suitable property in the Appellant's case was:

1. Cost of the property now required as per the judgment of Lambert J: £2,350,000

2. Value of the Claimant's exisiting property per Lambert J: £1,450,000

3. Capital shortfall: £2,350,000 - £1,450,000 = £900,000

4. Claimants life expectancy per Table 2: 45.43 years

5. Value of the RI: £900,000 x $1.05^{-45.43}$ = £98,087*

6. Damages award = £900,000 - £98,087

Taking these values as an example, finding the RI using a calculator requires the following steps:

1. Enter 1.05

2. Press the exponent key (^)**

3. Enter – 45.43 (don't forget the minus)

4. Gives 0.1089

5. Multiply by 900,000

6. Gives 98,087 (rounded down)

*The factor of 1.05 used to value the RI represents 1 + 5% (5% being the investment return found by the Court of Appeal for the purpose of the market valuation).

** The symbol on exponent key may differ, depending on calculator used.